Status: File Pending

Western Massachusetts Electric Company Docket No. DTE 05-10

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Witness: Michael J. Mahoney

Request from: Department of Telecommunications and Energy

Question:

Refer to Exhibit MJM-3, at 1. Please provide the rate of interest used to calculate carrying charges for those years in which there was a transition cost under-recovery.

Response:

Please refer to the Company's response to IR-AG-01, Q- AG1-004. which details the calculation of the carrying charges including the applicable interest/carrying charge rate by year. The carrying charge rate is the cost of capital shown on Exhibit MJM-3, page 12AA. For 2004 the carrying charge rate is the average cost of capital of 12.85% based on the first nine months at 13.11% and the remaining three months at 12.08%.